

DISTRICT COURT, CITY AND COUNTY OF DENVER, COLORADO  1437 Bannock Street Denver, CO 80202 <hr/> PEOPLE OF THE STATE OF COLORADO,  Plaintiff,  v.  WILLIAM L. WALTERS, DOB: 01/30/1965  Defendant.	RECEIVED IN  MAY 30 2007  DOUGLAS COMBINED COURTS  ▲ COURT USE ONLY ▲
JOHN W. SUTHERS, Attorney General MICHAEL BELLIPANNI, Assistant Attorney General* 1525 Sherman Street, 7 <sup>th</sup> Floor Denver, CO 80203 303-866-3416 Registration Number: 24421 *Counsel of Record	Case No.: 07C12408
COLORADO STATE GRAND JURY INDICTMENT	

COUNT ONE: (Le)	SECURITIES FRAUD, § § 11-51-501(1)(b), 11-51-603(1), C.R.S. (F-3)
COUNT TWO: (Le)	THEFT OVER \$15,000, §18-4-401(1)(b)(2)(d) C.R.S. (F-3)
COUNT THREE: (MacLennan)	SECURITIES FRAUD, § § 11-51-501(1)(b), 11-51-603(1), C.R.S. (F-3)
COUNT FOUR: (MacLennan)	THEFT OVER \$15,000, §18-4-401(1)(b)(2)(d) C.R.S. (F-3)
COUNT FIVE: (Parker)	SECURITIES FRAUD, § § 11-51-501(1)(b), 11-51-603(1), C.R.S. (F-3)
COUNT SIX: (Parker)	THEFT OVER \$15,000, §18-4-401(1)(b)(2)(d) C.R.S. (F-3)
COUNT SEVEN: (Reynolds)	SECURITIES FRAUD, § § 11-51-501(1)(b), 11-51-603(1), C.R.S. (F-3)

COUNT EIGHT: (Reynolds)	THEFT OVER \$15,000, §18-4-401(1)(b)(2)(d) C.R.S. (F-3)
COUNT NINE: (Tutton)	SECURITIES FRAUD, § § 11-51-501(1)(b), 11-51-603(1), C.R.S. (F-3)
COUNT TEN: (Tutton)	THEFT OVER \$15,000, §18-4-401(1)(b)(2)(d) C.R.S. (F-3)
COUNT ELEVEN: (Weaver)	SECURITIES FRAUD, § § 11-51-501(1)(b), 11-51-603(1), C.R.S. (F-3)
COUNT TWELVE: (Weaver)	THEFT OVER \$15,000, §18-4-401(1)(b)(2)(d) C.R.S. (F-3)
COUNT THIRTEEN: (Colorado Investors)	SECURITIES FRAUD, § § 11-51-501(1)(c), 11-51-603(1), C.R.S. (F-3)
COUNT FOURTEEN: (Mana Trading)	SECURITIES FRAUD, § § 11-51-501(1)(c), 11-51-603(1), C.R.S. (F-3)
COUNT FIFTEEN: (Samurai Capital)	SECURITIES FRAUD, § § 11-51-501(1)(c), 11-51-603(1), C.R.S. (F-3)
COUNT SIXTEEN: (Mana and Samurai Investors)	THEFT OVER \$15,000, §18-4-401(1)(b)(2)(d) C.R.S. (F-3)

DISTRICT COURT, CITY AND COUNTY OF DENVER, COLORADO  1437 Bannock Street Denver, CO 80202	
PEOPLE OF THE STATE OF COLORADO,  Plaintiff,  v.  WILLIAM L. WALTERS, DOB: 01/30/1965  Defendant.	
<p style="text-align: center;">▲ COURT USE ONLY ▲</p> Case No.: 06CR0001  Div. 6	
<p style="text-align: center;"><b>COLORADO STATE GRAND JURY INDICTMENT</b></p>	

Of the 2006-2007 term of the Denver District Court in the year 2007; the 2006-2007 Colorado State Grand Jurors, chosen, selected and sworn in the name and by the authority of the People of the State of Colorado, upon their oaths, present the following:

#### **ESSENTIAL FACTS**

William L. Walters (WALTERS) owned and operated Samurai Capital (SAMURAI), a Colorado company, and Mana Trading Co. Inc. (MANA). Beginning in or about 2001 and through July, 2006, WALTERS solicited money from investors by and through these companies. The investments offered by WALTERS promised high rates of return. The solicitation for investments was premised upon the representation that the funds would be used for day trading. WALTERS had two online investment accounts through CyberTrader, one each in the name of Mana and Samurai, for day trading. In fact, most of the investor funds were not actually used in the manner represented. The majority of investor funds were used by WALTERS for personal expenses and to make "interest payments" and payouts to other investors.

WALTERS solicited and received investments from Colorado investors resulting in Colorado investor losses of over one million dollars. WALTERS solicited Colorado investors in Adams, Arapahoe and Douglas Counties.

WALTERS also solicited and accepted investments from individuals from several other states, including: Hawaii, Wyoming, California, Massachusetts, Texas, Pennsylvania, Florida, and Illinois. The funds for these out-of-state investors were deposited, either by WALTERS or through wire transfer by the individual investors, directly into one of WALTERS' Colorado bank accounts, held in the city of Lone Tree, Douglas County, Colorado. WALTERS solicited and directed investments from out-of-state investors into his Lone Tree bank accounts, resulting in investor losses of several million dollars.

WALTERS solicited and accepted investment amounts of up to one million five hundred thousand dollars (\$1,500,000). Most investors received a promissory note/agreement signed by WALTERS, which promised to pay the investor the principal plus interest rates ranging from ten percent for a short term investment to forty percent per year. Some investments were payable in a single payment at the end of the term (due date), other investors were promised periodic interest payments with the promise to pay the full principal upon the due date.

The Samurai and Mana investments offered and sold by WALTERS, evidenced in part by the promissory note/agreement, constitute "securities" pursuant to § 11-51-201(17) C.R.S., and as such, are subject to the provisions of the Colorado Securities Act.

In soliciting investors, WALTERS made material, untrue statements and omissions of material facts, including one or more of the following: WALTERS did not disclose to investors that he had suffered trading losses from January 2001 through September of 2006 in MANA and Samurai. WALTERS did not disclose to investors that he had used investor funds to pay other investors. WALTERS did not disclose to investors that he had periods of time in which his trading accounts were insufficient to pay investors. WALTERS did not disclose to investors that he had stopped day trading from approximately August, 2003 until March of 2005 while still soliciting and collecting investor funds during this period. WALTERS did not disclose to investors that he had stopped day trading in December of 2005 and continued to solicit and collect investor funds after that date. WALTERS did not disclose to investors that he had failed to deposit investor funds into his CyberTrader account. WALTERS did not disclose to investors that he had diverted investor funds for his own personal use or benefit. WALTERS failed to disclose the risks of the investments. In addition, WALTERS provided some Mana investors with fraudulent "screenshots" of his CyberTrader account activity.

WALTERS had suffered trading losses from January 2001 through September of 2006 in MANA and Samurai. WALTERS failed to disclose the total losses he suffered in the trading accounts to any investors; these include individual monthly trading losses as well as cumulative losses. WALTERS' Samurai trading account suffered cumulative losses from July, 2001 until at least July of 2006. WALTERS' Mana trading account suffered cumulative losses from March, 2005 until at least July of 2006.

WALTERS used investor funds to pay other investors. Analysis of WALTERS' banking activity shows investor funds as the source of over twenty three million dollars. The analysis also shows that approximately sixteen million dollars was paid out to investors from these accounts.

There were periods of time in which WALTERS' trading accounts were insufficient to pay investors. The funds in the CyberTrader accounts under Mana and Samurai were insufficient to pay the outstanding liabilities owed by WALTERS under the promissory note/agreements he had executed with investors.

WALTERS stopped day trading from approximately August, 2003 until March of 2005 while still soliciting and collecting investor funds, primarily through Samurai, during this period. WALTERS did not disclose to investors that he had not been actively trading in his CyberTrader accounts.

WALTERS stopped day trading in approximately December of 2005, and continued soliciting and collecting investor funds, primarily through Mana, after this period. WALTERS did not disclose to investors that he had not been actively trading in his CyberTrader accounts.

WALTERS failed to deposit the majority of investor funds into his CyberTrader account. Analysis of WALTERS' banking activity from January 2001, through September, 2006, shows investor funds as the source of over twenty three million dollars, but over the time period analyzed, less than five million dollars was deposited into the CyberTrader accounts for Samurai and Mana.

WALTERS had diverted investor funds for his own personal use or benefit. Analysis of WALTERS' banking activity from January 2001, through September, 2006, shows personal payments, payments to WALTERS individually, and payments made to WALTERS' wife, in the amount of approximately four million dollars.

WALTERS provided some Mana investors with fraudulent "screenshots" of his accounts. WALTERS showed some investors altered account statements from Wells Fargo and/or CyberTrader accounts that made it appear that WALTERS had enough funds to pay back investors. The evidence WALTERS showed the investors of his account status did not accurately reflect the actual account status at the time.

WALTERS failed to disclose the actual risk of the investments. WALTERS told investors that there was little or no risk of loss, indicating that their money would be used for Daytrading utilizing his system of trading which minimized any risk of loss. The actual risk of loss to investors was significant.

**COUNT ONE**  
**(Securities Fraud – F3)**

About and between July 28, 2006, and July 31, 2006, in and triable in the State of Colorado, William L. WALTERS, in connection with the offer or sale of any security to Toan Le directly or indirectly, unlawfully, feloniously, and willfully made an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, contrary to the form of the statutes in such case made and provided, C.R.S. §§11-51-501 (1) (b) and 11-51-603 (1) (Securities Fraud – Class 3 Felony), against the peace and dignity of The People of the State of Colorado, and as more fully set out below:

1. WALTERS offered Toan Le (hereafter “Le”) the opportunity to have WALTERS day trade in the stock market with Le’s money. Le decided to accept WALTERS’ offer, and on and about July 28, 2006, agreed provide WALTERS the sum of one hundred thousand dollars (\$100,000) to be day traded by WALTERS. In return, WALTERS provided to Le, in Arapahoe County, Colorado, a promissory note/agreement, signed by WALTERS, promising to a) repay Le’s principal at the termination of the promissory note/agreement, July 28, 2007, and b) pay interest on the invested principal at the rate of 30% per annum, for a total return of one hundred thirty thousand (\$130,000) dollars, payable in one lump sum. Le provided WALTERS with one hundred thousand dollars (\$100,000) for day trading by wire transfer directly into WALTERS’ Wells Fargo account number 8402754728 about and between July 28, 2006, and July 31, 2006. This investment, evidenced, in part, by this promissory note/agreement, constitutes a “security,” pursuant to the Colorado Securities Act.
2. In connection with the sale of this security to Le, WALTERS made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.
3. Additionally, WALTERS made the following material misstatements and omissions to Le:
  - WALTERS stated that he was required to keep two million dollars in his checking account and sixteen million dollars in his trading accounts at all times
  - WALTERS stated that all funds in the trading accounts were transferred into money market accounts each night
  - WALTERS provided a fraudulent “screenshot” to Le showing WALTERS’ Wells Fargo account balance of approximately \$2,284,507.13
  - WALTERS provided a fraudulent “screenshot” to Le showing WALTERS’ CyberTrader account balance of approximately \$16,273,119.44
  - WALTERS stated that Le could not lose the money in this transaction, and could call the investment in at any time with a guaranteed return
4. This investor never received the total principal and interest as promised.

**COUNT TWO**  
**(Theft over \$15,000 – F3)**

On or about July 28, 2006, in and triable in the State of Colorado, William L. WALTERS did unlawfully, feloniously and knowingly obtain or exercise control over a thing of value, to wit: MONEY, which was the property of Toan Le, by deception, and did knowingly use, conceal or abandon the money in such manner as to deprive Toan Le permanently of its use and benefit, and the value of said MONEY was more than fifteen thousand dollars contrary to the form of the statute in such case made and provided, C.R.S. §18-4-401(1)(b) and (2)(d), (Class 3 Felony) and against the peace and dignity of the People of the State of Colorado, and as more fully set forth above in the Count and the narrative of Essential Facts, each of which is incorporated herein by this reference.

**COUNT THREE**  
**(Securities Fraud – F3)**

About and between January 4, 2006, and January 11, 2006, in and triable in the State of Colorado, William L. WALTERS, in connection with the offer or sale of any security to Rod and Alice MacLennan directly or indirectly, unlawfully, feloniously, and willfully made an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, contrary to the form of the statutes in such case made and provided, C.R.S. §§11-51-501 (1) (b) and 11-51-603 (1) (Securities Fraud – Class 3 Felony), against the peace and dignity of The People of the State of Colorado, and as more fully set out below:

1. WALTERS offered Rod and Alice MacLennan (hereafter “the MacLennans”) the opportunity to have WALTERS day trade in the stock market with the MacLennans’ money. The MacLennans decided to accept WALTERS’ offer, and on and about January 4, 2006, provided to WALTERS the sum of two hundred fifty thousand dollars (\$250,000) to be day traded by WALTERS. In return, WALTERS provided to the MacLennans, in Adams County, Colorado, a promissory note/agreement, signed by WALTERS, promising to a) repay the MacLennans’ principal at the termination of the promissory note/agreement, April 4, 2006, and b) pay interest on the invested principal at the rate of 15% per annum, for a total return of two hundred eighty seven thousand five hundred dollars (\$287,500), payable in one lump sum. The MacLennans provided WALTERS with two hundred fifty thousand dollars (\$250,000) by wire transfer directly into WALTERS’ Wells Fargo account number 8402754728 on or about January 4, 2006. This investment, evidenced, in part, by this promissory note/agreement, constitutes a “security,” pursuant to the Colorado Securities Act.
2. In connection with the sale of this security to the MacLennans, WALTERS made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.

3. Additionally, on or about January 11, 2006, WALTERS and the MacLennans agreed to execute another promissory note in the amount of two hundred thousand dollars (\$200,000). WALTERS again provided to the MacLennans, in Adams County, Colorado, a signed promissory note/agreement promising a) to repay the MacLennans the principal at the termination of the agreement on the "Payout Day" February 11, 2006, and b) to pay interest on the principal at the rate of 10% per annum, for a total return of two hundred twenty thousand dollars (\$220,000), payable in one lump sum. The MacLennans agreed to this and provided WALTERS with two hundred thousand dollars (\$200,000) for day trading by wire transfer directly into WALTERS' Wells Fargo account number 8402754728 on or about January 11, 2006. This investment, evidenced, in part, by the promissory note/agreement, constitutes a "security" pursuant to the Colorado Securities Act.
4. In connection with the sale of this security to the MacLennans, WALTERS made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.
5. These investors never received the total principal and interest as promised.

**COUNT FOUR**  
**(Theft over \$15,000 – F3)**

About and between January 4, 2006, and January 11, 2006, in and triable in the State of Colorado, William L. WALTERS did unlawfully, feloniously and knowingly obtain or exercise control over a thing of value, to wit: MONEY, which was the property of Rod and Alice MacLennan, by deception, and did knowingly use, conceal or abandon the money in such manner as to deprive Rod and Alice MacLennan permanently of its use and benefit, and the value of said MONEY was more than fifteen thousand dollars contrary to the form of the statute in such case made and provided, C.R.S. §18-4-401(1)(b) and (2)(d) (Class 3 Felony), and against the peace and dignity of the People of the State of Colorado, and as more fully set forth above in the preceding Count and the narrative of Essential Facts, each of which is incorporated herein by this reference.

**COUNT FIVE**  
**(Securities Fraud – F3)**

About and between September 30, 2004, and February 14, 2006 in and triable in the State of Colorado, William L. WALTERS, in connection with the offer or sale of any security to Nancy Parker directly or indirectly, unlawfully, feloniously, and willfully made an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, contrary to the form of the statutes in such case made and provided, C.R.S. §§11-51-501 (1) (b) and 11-51-603 (1), (Securities Fraud – Class 3 Felony), against the peace and dignity of The People of the State of Colorado, and as more fully set out below:

1. WALTERS offered Nancy Parker (hereafter "Parker") the opportunity to have WALTERS day trade in the stock market with her money. Parker decided to accept WALTERS' offer, and on and about September 30, 2004, provided to WALTERS the sum of fifty thousand dollars (\$50,000) to be day traded by WALTERS. In return, WALTERS provided to Parker, in Colorado, a promissory note/agreement, signed by WALTERS, promising to a) repay Parker's principal at the termination of the promissory note/agreement, September 30, 2005, and b) pay interest on the invested principal at the rate of 30% per annum, for a total return of sixty five thousand dollars (\$65,000), payable in one lump sum. Parker provided WALTERS with fifty thousand dollars (\$50,000) for day trading by wire transfer directly into WALTERS' US Bank account number 1-036-7305-1613 on or about September 30, 2004. This investment, evidenced, in part, by this promissory note/agreement, constitutes a "security," pursuant to the Colorado Securities Act.
2. In connection with the sale of this security to the Parker, WALTERS made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.
3. Additionally, on or about February 14, 2006, WALTERS and Parker agreed to execute another investment in the amount of fifty thousand dollars (\$50,000). WALTERS promised a) to repay Parker the principal at the termination of the agreement on the "Payout Day" May 14, 2006, and b) to pay interest on the principal at the rate of 10%, for a total return of fifty five thousand dollars (\$55,000), payable in one lump sum. Parker agreed to this and provided WALTERS with fifty thousand dollars (\$50,000) for day trading by wire transfer directly into WALTERS' Wells Fargo account number 8402754728 on or about February 14, 2006. WALTERS did not provide Parker with the promissory note/agreement. This investment constitutes a "security" pursuant to the Colorado Securities Act.
4. In connection with the sale of this security to the Parker, WALTERS made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.
5. This investor never received the total principal and interest as promised.

**COUNT SIX**  
**(Theft over \$15,000 – F3)**

About and between September 30, 2004, and February 14, 2006, in and triable in the State of Colorado, William L. WALTERS did unlawfully, feloniously and knowingly obtain or exercise control over a thing of value, to wit: MONEY, which was the property of Nancy Parker, by deception, and did knowingly use, conceal or abandon the money in such manner as to deprive Nancy Parker permanently of its use and benefit, and the value of said MONEY was more than fifteen thousand dollars contrary to the form of the statute in such case made and provided, C.R.S. §18-4-401(1)(b) and (2)(d), (Class 3 Felony) and against the peace and dignity of the

People of the State of Colorado, and as more fully set forth above in the preceding Count and the narrative of Essential Facts, each of which is incorporated herein by this reference.

**COUNT SEVEN**  
**(Securities Fraud – F3)**

About and between August 28, 2003, and December 4, 2003, in and triable in the State of Colorado, William L. WALTERS, in connection with the offer or sale of any security to Charles and Mildred Reynolds directly or indirectly, unlawfully, feloniously, and willfully made an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, contrary to the form of the statutes in such case made and provided, C.R.S. §§11-51-501 (1) (b) and 11-51-603 (1), (Securities Fraud – Class 3 Felony), against the peace and dignity of The People of the State of Colorado, and as more fully set out below:

1. WALTERS offered Charles and Mildred Reynolds (hereafter “the Reynolds”) the opportunity to have WALTERS day trade in the stock market with the Reynolds’ money. The Reynolds decided to accept WALTERS’ offer, and on and about August 28, 2003, in Colorado, provided to WALTERS the sum of forty five thousand dollars (\$45,000) by personal checks, to be day traded by WALTERS. In return, WALTERS provided to the Reynolds’ in Colorado, a promissory note/agreement, signed by WALTERS, promising to a) repay the Reynolds’ principal at the termination of the promissory note/agreement, August 28, 2004, and b) pay interest on the invested principal at the rate of 40% per annum, for a total return of sixty three thousand dollars (\$63,000), the interest being payable in four quarterly payments of four thousand five hundred dollars (\$4,500) each. This investment, evidenced, in part, by this promissory note/agreement, constitutes a “security,” pursuant to the Colorado Securities Act.
2. In connection with the sale of this security to the Reynolds, WALTERS made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.
3. Additionally, about and between November 28, 2003, and December 4, 2003, WALTERS and the Reynolds agreed to execute another promissory note in the amount of fifty thousand dollars (\$50,000). WALTERS again provided to the Reynolds, in Colorado, a signed promissory note/agreement promising a) to repay the Reynolds the principal at the termination of the agreement on the “Payout Day” November 28, 2004, and b) to pay interest on the principal at the rate of 40% per annum, for a total return of seventy thousand dollars (\$70,000), interest being payable in four quarterly payments of five thousand dollars (\$5,000) each. The Reynolds agreed to this and provided WALTERS with fifty thousand dollars (\$50,000) for day trading, by cashier’s check. This investment, evidenced, in part, by the promissory note/agreement, constitutes a “security” pursuant to the Colorado Securities Act.

4. On or about the "Payout Day" of November 28, 2004, WALTERS executed another promissory note/agreement in lieu of payment to the Reynolds. This agreement effectively continued the note to a due date of November 28, 2005. This promissory note/agreement promised a) to pay the Reynolds ninety five thousand dollars (\$95,000) on the new due date, and b) to pay interest on the principal at the rate of 40% per annum, in four quarterly payments of \$9,500 each, for a total return of one hundred thirty three thousand dollars (\$133,000).
5. In connection with the sale of this security to the Reynolds, WALTERS made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.
6. These investors never received the entire principal and interest as promised.

**COUNT EIGHT**  
**(Theft over \$15,000 – F3)**

About and between August 28, 2003, and December 3, 2003, in and triable in the State of Colorado, William L. WALTERS did unlawfully, feloniously and knowingly obtain or exercise control over a thing of value, to wit: MONEY, which was the property of Charles and Mildred Reynolds, by deception, and did knowingly use, conceal or abandon the money in such manner as to deprive Charles and Mildred Reynolds permanently of its use and benefit, and the value of said MONEY was more than fifteen thousand dollars contrary to the form of the statute in such case made and provided, C.R.S. §18-4-401(1)(b) and (2)(d), (Class 3 Felony) and against the peace and dignity of the People of the State of Colorado, and as more fully set forth above in the preceding Count and the narrative of Essential Facts, each of which is incorporated herein by this reference.

**COUNT NINE**  
**(Securities Fraud – F3)**

On or about December 5, 2005, in and triable in the State of Colorado, William L. WALTERS, in connection with the offer or sale of any security to Ron Tutton directly or indirectly, unlawfully, feloniously, and willfully made an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, contrary to the form of the statutes in such case made and provided, C.R.S. §§11-51-501 (1) (b) and 11-51-603 (1), , (Securities Fraud – Class 3 Felony), against the peace and dignity of The People of the State of Colorado, and as more fully set out below:

1. WALTERS offered Ron Tutton (hereafter "Tutton") the opportunity to have WALTERS day trade in the stock market with Tutton's money. Tutton decided to accept WALTERS' offer, and on and about December 5, 2005, provided to WALTERS the sum of five hundred thousand dollars (\$500,000) to be day traded by WALTERS. In return,

WALTERS provided to Tutton, in Douglas County, Colorado, a promissory note/agreement, signed by WALTERS, promising to a) repay Tutton's principal at the termination of the promissory note/agreement, December 31, 2005, and b) pay interest on the invested principal at the rate of 30% per annum, for a total return of \$510,685, payable in one lump sum. This investment, evidenced, in part, by this promissory note/agreement, constitutes a "security," pursuant to the Colorado Securities Act.

2. In connection with the sale of this security to the Tutton, WALTERS made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.
3. This investor never received the total principal and interest as promised.

**COUNT TEN**  
**(Theft over \$15,000 – F3)**

On or about December 5, 2005, in and triable in the State of Colorado, William L. WALTERS did unlawfully, feloniously and knowingly obtain or exercise control over a thing of value, to wit: MONEY, which was the property of Ron Tutton, by deception, and did knowingly use, conceal or abandon the money in such manner as to deprive Ron Tutton permanently of its use and benefit, and the value of said MONEY was more than fifteen thousand dollars contrary to the form of the statute in such case made and provided, C.R.S. §18-4-401(1)(b) and (2)(d), (Class 3 Felony) and against the peace and dignity of the People of the State of Colorado, and as more fully set forth above in the preceding Count and the narrative of Essential Facts, each of which is incorporated herein by this reference

**COUNT ELEVEN**  
**(Securities Fraud – F3)**

About and between October 10, 2003, and December 16, 2004, in and triable in the State of Colorado, William L. WALTERS, in connection with the offer or sale of any security to Dean Weaver, directly or indirectly, unlawfully, feloniously, and willfully made an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, contrary to the form of the statutes in such case made and provided, C.R.S. §§11-51-501 (1) (b) and 11-51-603 (1), (Securities Fraud – Class 3 Felony), against the peace and dignity of The People of the State of Colorado, and as more fully set out below:

1. WALTERS offered Dean Weaver (hereafter "Weaver") the opportunity to have WALTERS day trade in the stock market with Weaver's money. Weaver decided to accept WALTERS' offer, and on and about October 10, 2003, provided to WALTERS, in Douglas County, Colorado, the sum of thirty thousand dollars (\$30,000) to be day traded by WALTERS. In return, WALTERS provided to Weaver, in Douglas County, Colorado, a promissory note/agreement, signed by WALTERS, promising to a) repay

Weaver's principal and b) pay interest on the invested funds. This agreement constitutes a "security," pursuant to the Colorado Securities Act.

2. In connection with the sale of this security to Weaver, WALTERS made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.
3. Additionally, about October 20, 2003, WALTERS and Weaver agreed to execute another investment in the amount of thirty five thousand dollars (\$35,000) for WALTERS to day trade in the stock market with Weaver's money. In return, WALTERS provided to Weaver, in Douglas County, Colorado, a promissory note/agreement, signed by WALTERS, promising to a) repay Weaver's principal and b) pay interest on the invested funds. This agreement constitutes a "security," pursuant to the Colorado Securities Act.
4. In connection with the sale of this security to Weaver, WALTERS made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.
5. Additionally, on or about November 28, 2003, WALTERS and Weaver agreed to execute another investment in the amount of thirty thousand dollars (\$30,000) for WALTERS to day trade in the stock market with Weaver's money. In return, WALTERS provided to Weaver, in Douglas County, Colorado, a promissory note/agreement, signed by WALTERS, promising to a) repay Weaver's principal and b) pay interest on the invested funds. This agreement constitutes a "security," pursuant to the Colorado Securities Act.
6. In connection with the sale of this security to the Weaver, WALTERS made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.
7. Additionally, about December 16, 2004, WALTERS and Weaver agreed to execute another investment in the amount of one hundred ten thousand dollars (\$110,000) for WALTERS to day trade in the stock market with Weaver's money. In return, WALTERS provided to Weaver, in Douglas County, Colorado, a promissory note/agreement, signed by WALTERS, promising to a) repay Weaver's principal and b) pay interest on the invested funds. This agreement constitutes a "security," pursuant to the Colorado Securities Act.
8. In connection with the sale of this security to the Weaver, WALTERS made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.
9. On or about June 30, 2005, Weaver agreed to have WALTERS continue to day trade in the stock market with Weaver's money. Weaver's prior investments were combined into a single promissory note/agreement in the amount of two hundred sixty seven thousand dollars (\$267,000). WALTERS again provided to Weaver, in Colorado, a signed promissory note/agreement promising a) to repay Weaver the principal at the termination

of the agreement on the "Payout Day" and b) to pay interest on the principal at the rate of 30% per annum, for a total return of three hundred forty seven thousand one hundred dollars (\$347,100), with interest of eighty thousand one hundred dollars (\$80,100) to be paid in semi annual payments of forty thousand fifty dollars (\$40,050). This investment, evidenced, in part, by the promissory note/agreement, constitutes a "security" pursuant to the Colorado Securities Act.

10. In connection with the sale of this security to the Weaver, WALTERS made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.
11. This investor never received the total principal and interest as promised.

### **COUNT TWELVE** **(Theft over \$15,000 – F3)**

About and between October 10, 2003, and December 16, 2004, in and triable in the State of Colorado, William L. WALTERS did unlawfully, feloniously and knowingly obtain or exercise control over a thing of value, to wit: MONEY, which was the property of Dean Weaver, by deception, and did knowingly use, conceal or abandon the money in such manner as to deprive Dean Weaver permanently of its use and benefit, and the value of said MONEY was more than fifteen thousand dollars contrary to the form of the statute in such case made and provided, C.R.S. §18-4-401(1)(b) and (2)(d), (Class 3 Felony) and against the peace and dignity of the People of the State of Colorado, and as more fully set forth above in the preceding count and the narrative of Essential Facts, each of which is incorporated herein by this reference.

### **COUNT THIRTEEN** **(Securities Fraud – F3)**

On and between August, 2003, and July 28, 2006, in and triable in the State of Colorado, William L. WALTERS in connection with the offer or sale of any security to Colorado investors, directly or indirectly, unlawfully, feloniously, and knowingly engaged in any course of business which operated or would operate as a fraud or deceit upon any person, contrary to the form of the statutes in such case made and provided, C.R.S. §§11-51-501 (1) (c) and 11-51-603 (1), and against the peace and dignity of The People of the State of Colorado, and as more fully set out below:

1. For almost three years, William L. WALTERS, individually, and by and through Samurai Capital and Mana Trading, made numerous fraudulent sales of securities to Colorado investors as referenced in Count One through Count Twelve. WALTERS solicited investors to invest in fraudulent day trading activity and provided investors a promissory note to evidence their investment. WALTERS never told investors of any risks associated with the investments. The investments are past due, and remain, in whole or

in part, unpaid. None of the listed Colorado investors have received the total owed principal and interest from WALTERS.

2. In connection with the sale of these securities to Colorado investors referenced in Count One through Count Twelve, WALTERS engaged in the practice of overstating fund values and providing fraudulent documentation to support his claims, after funds had already been collected from investors.
3. In connection with the sale of these securities to Colorado investors referenced in Count One through Count Twelve, WALTERS made untrue statements of material fact, and failed to disclose material facts. WALTERS engaged in a course of business which operated as a fraud, in part, by accepting investments into this account and failing to transfer the majority of funds from this account into the trading accounts. WALTERS also failed to day trade with the majority of funds which were transferred into the trading accounts. The circumstances surrounding the sales, acts, practices and course of business engaged in by WALTERS, including the untrue statements of material fact and failure to disclose, are described in the narrative of Essential Facts, which paragraphs are hereby incorporated by reference.

#### **COUNT FOURTEEN (Securities Fraud – F3)**

On and between February 10, 2005, and June 29, 2006, in and triable in the State of Colorado, William L. WALTERS in connection with the offer or sale of any security to out-of-state investors in Mana Trading Co., Inc., directly or indirectly, unlawfully, feloniously, and knowingly engaged in any course of business which operated or would operate as a fraud or deceit upon any person, contrary to the form of the statutes in such case made and provided, C.R.S. §§11-51-501 (1) (c) and 11-51-603 (1), , and against the peace and dignity of The People of the State of Colorado, and as more fully set out below:

1. WALTERS solicited investors to invest in fraudulent day trading activity and provided investors a promissory note to evidence their investment. WALTERS never told investors of any risks associated with the investments. The investments are past due, and remain, in whole or in part, unpaid.
2. In connection with the fraudulent sale of these securities, WALTERS conducted business from his residence, located in the city of Lone Tree, Colorado. In furtherance of the commission of this offense, WALTERS opened Mana Trading Co., Inc. account number 840-2754728 at Wells Fargo Bank (hereafter "WELLS FARGO ACCOUNT"), located in the city Lone Tree, Douglas County, Colorado on or about February 1, 2005. WALTERS had out-of-state investors deposit the funds, directly through wire transfer, or otherwise, into WALTERS' WELLS FARGO ACCOUNT.
3. The investments WALTERS solicited directly or indirectly, in connection with this count, on and between February 10, 2005, and June 29, 2006, include one or more of the following:

- Clementina Espino of Culver City, California invested approximately one hundred thousand dollars (\$100,000) by depositing funds, in approximately three transactions, into WALTERS' WELLS FARGO ACCOUNT about and between March 7, 2005 and July 6, 2005.
- Charles Glauber of Aiea, Hawaii invested approximately seventy thousand dollars (\$70,000) by depositing funds into WALTERS' WELLS FARGO ACCOUNT on or about February 10, 2006.
- Imelda Gonzales, of Aiea, Hawaii invested approximately two hundred thousand dollars (\$200,000) by depositing funds into WALTERS' WELLS FARGO ACCOUNT on or about September 2, 2005.
- Buddy Harper of Granbury, Texas invested approximately four hundred thousand dollars (\$400,000) by depositing funds into WALTERS' WELLS FARGO ACCOUNT on or about March 18, 2005.
- James Leavitt of Honolulu, Hawaii invested approximately one million sixty four thousand one hundred thirteen dollars (\$1,064,113) by depositing funds in separate transactions into WALTERS' WELLS FARGO ACCOUNT about and between August 10, 2005 and October 27, 2005.
- Les Leff of Honolulu, Hawaii invested approximately one million five hundred thousand dollars (\$1,500,000) by depositing funds into WALTERS' WELLS FARGO ACCOUNT on or about February 10, 2005..
- Ron Leff of Gladwyne, Pennsylvania invested approximately one million five hundred thousand dollars (\$1,500,000) by depositing funds into WALTERS' WELLS FARGO ACCOUNT on or about May 13, 2005.
- Martha Myers of Seminole, Florida invested approximately two hundred ninety eight thousand dollars (\$298,000) by depositing funds, in two transactions, into WALTERS' WELLS FARGO ACCOUNT on or about August 24, 2005 and September 30, 2005.
- Mike Niehaus of Effingham, Illinois invested approximately four hundred fifty thousand dollars (\$450,000) by depositing funds into WALTERS' WELLS FARGO ACCOUNT on or about March 3, 2005 and January 10, 2006.
- Charlotte Overton of Oxnard, California invested approximately one hundred forty thousand dollars (\$140,000) by depositing funds, in two transactions, into WALTERS' WELLS FARGO ACCOUNT on or about August 2, 2004 and April 26, 2006.

- Jim Schmit of Temple Terrace, Florida invested approximately two hundred thousand dollars (\$200,000) by depositing funds, in separate transactions, into WALTERS' WELLS FARGO ACCOUNT on or about January 17, 2006, and June 29, 2006.
  - Rose Seguritan of Waipahu, Hawaii invested approximately eighty five thousand five hundred dollars (\$85,500) by depositing funds into WALTERS' WELLS FARGO ACCOUNT on or about August 19, 2005.
  - Woodruff Soldner of Honolulu Hawaii invested approximately one million four hundred thousand dollars (\$1,400,000) by depositing funds, in approximately three transactions, into WALTERS' WELLS FARGO ACCOUNT about and between March 3, 2005 and June 1, 2006.
  - Gary Wolsiefer of Tampa, Florida invested approximately one hundred thousand dollars (\$100,000) by depositing funds into WALTERS' WELLS FARGO ACCOUNT on or about February 28, 2005.
  - Jim Ziernicki of Pottstown, Pennsylvania invested approximately four hundred thousand dollars (\$400,000) by depositing funds into WALTERS' WELLS FARGO ACCOUNT on or about January 23, 2006.
4. In connection with the sale of these securities to investors, WALTERS made untrue statements of material fact, and failed to disclose material facts. WALTERS engaged in a course of business which operated as a fraud, in part, by accepting investments into this account and failing to transfer the majority of funds from this account into the trading accounts. WALTERS also failed to day trade with the majority of funds which were transferred into the trading accounts. The circumstances surrounding the sales, acts, practices and course of business engaged in by WALTERS, including the untrue statements of material fact and failure to disclose, are described in the narrative of Essential Facts, which paragraphs are hereby incorporated by reference.
5. These investors never received the entire principal and interest as promised.

### **COUNT FIFTEEN (Securities Fraud – F3)**

On and between September 1, 2003, and March 31, 2005, in and triable in the State of Colorado, William L. WALTERS in connection with the offer or sale of any security to out-of-state investors in Samurai Capital, directly or indirectly, unlawfully, feloniously, and knowingly engaged in any course of business which operated or would operate as a fraud or deceit upon any person, contrary to the form of the statutes in such case made and provided, C.R.S. §§11-51-501 (1) (c) and 11-51-603 (1), , and against the peace and dignity of The People of the State of Colorado, and as more fully set out below:


1. WALTERS solicited investors to invest in fraudulent day trading activity and provided investors a promissory note to evidence their investment. WALTERS never told investors of any risks associated with the investments. The investments are past due, and remain unpaid.
2. In connection with the fraudulent sale of these securities, WALTERS conducted business from his residence, located in the city of Lone Tree, Colorado. In furtherance of the commission of this offense, WALTERS opened Samurai Capital account number 1-036-7305-1613 at US Bank (hereafter "US BANK ACCOUNT"), located in the city Lone Tree, Douglas County, Colorado on or about September 1, 2003. WALTERS also opened Samurai Capital Inc. account number 766021005919 at Key Bank (hereafter KEY BANK ACCOUNT"), located in the city of Lone Tree, Douglas County, Colorado on or about December 4, 2004. WALTERS had out-of-state investors invest in Samurai Capital by depositing funds, directly through wire transfer, or otherwise, into WALTERS' US BANK ACCOUNT and WALTERS' KEY BANK ACCOUNT.
3. The investments WALTERS solicited directly or indirectly, in connection with this count, on and between September 1, 2003, and March 31, 2005, include one or more of the following:
  - Lawrence Frej of Marblehead, Massachusetts invested approximately one hundred fifty thousand dollars (\$150,000) with WALTERS, which was deposited into WALTERS' US BANK ACCOUNT on or about October 19, 2004, by WALTERS.
  - Charles Glauber of Aiea, Hawaii invested approximately forty thousand dollars (\$40,000) with WALTERS by depositing funds into WALTERS' US BANK ACCOUNT on or about November 2, 2004.
  - James Leavitt of Honolulu, Hawaii invested approximately five hundred fifty thousand (\$550,000) with WALTERS by depositing funds, in separate transactions, into WALTERS' US BANK ACCOUNT and KEY BANK ACCOUNT about and between November 11, 2004 and January 19, 2005.
  - Les Leff of Honolulu, Hawaii invested approximately one million dollars (\$1,000,000) with WALTERS by depositing funds into WALTERS' US BANK ACCOUNT on or about July 15, 2004.
  - Mike Niehaus of Effingham, Illinois invested approximately four hundred fifty thousand dollars (\$450,000) with WALTERS by depositing funds, in separate transactions, into WALTERS' US BANK ACCOUNT about and between April 19, 2004 and September 1, 2004.
  - Woodruff Soldner of Honolulu, Hawaii invested approximately one hundred thousand dollars (\$100,000) with WALTERS by depositing funds into WALTERS' US BANK ACCOUNT on or about March 18, 2004.

- Jim Ziernicki of Pottstown, Pennsylvania invested approximately three hundred seventy thousand dollars (\$370,000) with WALTERS by depositing funds into WALTERS' US BANK ACCOUNT through Personal check to Samurai Capital and wire transfers about and between February 14, 2004 and April 13, 2004.
3. In connection with the sale of these securities to investors, WALTERS made untrue statements of material fact, and failed to disclose material facts. WALTERS engaged in a course of business which operated as a fraud, in part, by accepting investments into these accounts and failing to transfer the majority of funds from these accounts into the trading accounts. WALTERS also failed to day trade with the majority of funds which were transferred into the trading accounts. The circumstances surrounding the sales, acts, practices and course of business engaged in by WALTERS, including the untrue statements of material fact and failure to disclose, are described in the narrative of Essential Facts, which paragraphs are hereby incorporated by reference.
  4. These investors never received the entire principal and interest as promised.

**COUNT SIXTEEN**  
**(Theft over \$15,000 – F3)**

About and between July 15, 2004, and June 29, 2006, in and triable in the State of Colorado, William L. WALTERS through Mana Trading and Samurai Capital did unlawfully, feloniously and knowingly obtain or exercise control over a thing of value, to wit: MONEY, which was the property of investors in Mana Trading and Samurai Capital, by deception, and did knowingly use, conceal and abandon the money in such manner as to deprive the investors in Mana Trading and Samurai Capital permanently of its use and benefit, and the value of said MONEY was more than fifteen thousand dollars contrary to the form of the statute in such case made and provided, C.R.S. §§18-4-401(1)(b) and (2)(d), (Class 3 Felony) and against the peace and dignity of the People of the State of Colorado, and as more fully set forth above in the Narrative of Essential Facts, and Count Fourteen and Count Fifteen, each of which is incorporated herein by this reference.

JOHN W. SUTHERS  
ATTORNEY GENERAL

  
Michael J. Bellipanni, Reg. No. 24421  
Assistant Attorney General

The 2006-2007 State Grand Jury presents the within Indictment, and the same is hereby

Ordered filed this 25 day of May, 2007.

Pursuant to C.R.S. 13-73-107, , the Court hereby designates the County of

DOUGLAS, Colorado, as the county of venue for the purposes of trial.

BAIL SET FOR WILLIAM L. WALTERS AT \$ 1,000,000.00  
(cash, surety or property)

  
LARRY NAVES  
CHIEF JUDGE  
SECOND JUDICIAL DISTRICT